

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DEDICATING THE WASTEWATER FUND NET REVENUE TO PAYMENT OF THE CLEAN WATER STATE REVOLVING FUND (CWSRF) LOANS, AND RESCINDING RESOLUTION NO. 10-019

WHEREAS, an outside funding source has been identified by staff as an essential instrument to fund the Headworks Screening Replacement and Fat's Oils and Grease (FOG) Pilot Projects;

WHEREAS, the City Administrator was authorized on March 17, 2009, to apply for Federal Stimulus Funds to pay for a substantial portion of the costs of such infrastructure and energy recovery projects;

WHEREAS, the State Water Resources Control Board has notified the City Administrator that the projects were not accepted for Federal Stimulus Funds but qualified for low interest CWSRF loans in the amount of \$6,800,000 for both projects;

WHEREAS, the State Water Resources Control Board has notified the City Administrator that the loan applications require the City Council action dedicating a funding source for repayment of the CWSRF loans;

WHEREAS, upon acceptance of this resolution, City Staff will finalize the design plans and specifications for the construction of said projects, and competitively bid each project separately;

WHEREAS, Council will make a separate final actions for acceptance of the loans and award of contract for construction of said projects;

WHEREAS, on April 20, 2010, Council adopted Resolution No. 10-019 which dedicated Wastewater revenue to repayment of the loans but did not clearly refer to "net system revenue" as is now required by the State Water Resources Board; and

WHEREAS, in order to comply with the Board's requirements, Resolution No. 10-019 is rescinded and this Resolution adopted to dedicate the Wastewater Fund as the net system revenue to payment of the CWSRF loans.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The Council approves the financial commitments necessary to fund the design, construction, and improvements of the Headworks Screening Replacement and FOG Projects through California Department of Water Resources CWSRF loans.

SECTION 2. The Council hereby dedicates the Wastewater Fund net system revenue to payment of the Clean Water State Revolving Fund loans for the Headworks Screening Replacement Project C-06-5859-110 and the FOG Project Fund C-06-6401-110. This dedicated source of net revenue shall remain in effect throughout the term of such financing unless modification or change of such dedication is approved in writing by the State Water Resources Control Board. The City shall revise rates pursuant to California law as appropriate whenever necessary to satisfy debt service over the term of the loans.

SECTION 3. The Council hereby rescinds Resolution No. 10-019.